

27 | certain applications related to qualified productions;
 28 | establishing procedures for queuing applications
 29 | received after a specific period; specifying the
 30 | period during which applications remain in the queue
 31 | for tax credits; establishing parameters to be used by
 32 | the department in certifying tax credits; requiring
 33 | certified production companies to provide specified
 34 | workforce data; requiring certified production
 35 | companies to contribute a specific percentage of
 36 | awards to certain entities; requiring certain
 37 | production companies to provide internship
 38 | opportunities; requiring certain production companies
 39 | to take specified actions to promote the state;
 40 | revising provisions related to distributions of tax
 41 | credits; revising provisions for certification of tax
 42 | credits in excess of allocated amounts; revising dates
 43 | for the repeal of certain tax credits; redefining
 44 | terms; requiring the Department of Economic
 45 | Opportunity, rather than the Office of Film and
 46 | Entertainment, to be responsible for applications for
 47 | the entertainment industry program; revising
 48 | provisions relating to the application process, tax
 49 | credit eligibility, transfer of tax credits, election
 50 | and distribution of tax credits, allocation of tax
 51 | credits, forfeiture of tax credits, and annual report;
 52 | extending the repeal date; conforming provisions to

53 | changes made by the act; specifying a date on which
54 | the applications on file with the department and not
55 | yet certified are deemed denied; creating s. 288.1256,
56 | F.S.; creating the production action fund within the
57 | department; defining terms; authorizing a production
58 | company to apply for funds from the production action
59 | fund in certain circumstances; requiring the
60 | department and the division to jointly review and
61 | evaluate applications to determine the eligibility of
62 | each project; requiring the department to select
63 | projects that maximize the return to the state;
64 | requiring certain criteria to be considered by the
65 | department and the division; requiring a production
66 | company to have financing for a project before it
67 | applies for production action funds; requiring the
68 | department to prescribe a form for an application with
69 | specified information; requiring that the department
70 | make a recommendation to the Governor to approve or
71 | deny an award within a specified timeframe after the
72 | completion of the review and evaluation; providing
73 | that an award of funds may not constitute more than a
74 | specified percentage of qualified expenditures in this
75 | state and prohibiting the use of such funds to pay
76 | wages to nonresidents; requiring a production to start
77 | within a specified period after it is approved by the
78 | Governor; requiring that the recommendation include

79 performance conditions that the project must meet to
 80 obtain funds; requiring the department and the
 81 production company to enter into a specified agreement
 82 after approval by the Governor; requiring that the
 83 agreement be finalized and signed by an authorized
 84 officer of the production company within a specified
 85 period after approval by the Governor; prohibiting an
 86 approved production company from simultaneously
 87 receiving specified benefits for the same production
 88 while protecting other specified benefits; requiring
 89 that the department validate contractor performance
 90 and report such validation in the annual report;
 91 prohibiting the department from approving awards in
 92 excess of the amount appropriated for a fiscal year;
 93 requiring the department to maintain a schedule of
 94 funds; requiring that all funds received from the
 95 required repayment be deposited into the Production
 96 Action Account within the State Economic Enhancement
 97 and Development Trust Fund; providing that a
 98 production company that submits fraudulent information
 99 is liable for reimbursement of specified costs;
 100 providing a penalty; prohibiting the department from
 101 waiving any provision or providing an extension of
 102 time to meet specified requirements; providing an
 103 expiration date; amending s. 288.1258, F.S.;

104 conforming provisions to changes made by the act;

105 prohibiting an approved production company from
 106 simultaneously receiving benefits under specified
 107 provisions for the same production while protecting
 108 other specified benefits; requiring the department to
 109 develop a standardized application form in cooperation
 110 with the division and other agencies; requiring the
 111 qualified production company to submit aggregate data
 112 on specified topics; authorizing a qualified
 113 production company to renew its certificate of
 114 exemption for a specified period; amending s. 288.92,
 115 F.S.; requiring Enterprise Florida, Inc., to have a
 116 division relating to film and entertainment; amending
 117 s. 477.0135, F.S.; conforming a provision to changes
 118 made by the act; reenacting s. 212.08(5)(q), F.S.,
 119 relating to sales, rental, use, consumption,
 120 distribution, and storage tax; specified exemptions;
 121 reenacting s. 220.1899(3), F.S., relating to
 122 entertainment industry tax credit; providing an
 123 effective date.

124
 125 Be It Enacted by the Legislature of the State of Florida:

126
 127 Section 1. Subsections (2) and (3) of section 288.1201,
 128 Florida Statutes, are amended to read:

129 288.1201 State Economic Enhancement and Development Trust
 130 Fund.—

131 (2) The trust fund is established for use as a depository
 132 for funds to be used for the purposes specified in subsection
 133 (1). Moneys to be credited to the trust fund ~~shall~~ consist of
 134 documentary stamp tax proceeds as specified in law, local
 135 financial support funds, interest earnings, repayments made
 136 under s. 288.1256, and cash advances from other trust funds.
 137 Funds shall be expended only pursuant to legislative
 138 appropriation or an approved amendment to the department's
 139 operating budget pursuant to the provisions of chapter 216.

140 (3) There is created, within the State Economic
 141 Enhancement and Development Trust Fund, the Production Action
 142 Account. The Production Action Account shall consist of moneys
 143 appropriated to the account for purposes of the program
 144 authorized under s. 288.1256 and repayment made under s.
 145 288.1256. Moneys in the Production Action Account are subject to
 146 s. 216.301(1)(a). Moneys in the Production Action Account may be
 147 used only to make payments authorized under s. 288.1256. The
 148 department may adopt rules necessary to provide for the use of
 149 moneys in the Production Action Account and for the
 150 administration of the Production Action Account.

151 (4) Notwithstanding s. 216.301 and pursuant to s. 216.351,
 152 any balance in the trust fund at the end of any fiscal year
 153 shall remain in the trust fund at the end of the year and shall
 154 be available for carrying out the purposes of the trust fund.

155 Section 2. Section 288.125, Florida Statutes, is amended
 156 to read:

157 | 288.125 Definition of "entertainment industry."—For the
 158 | purposes of ss. 288.1254, 288.1256, 288.1258, 288.914, and
 159 | 288.915, 288.1251–288.1258, the term "entertainment industry"
 160 | means those persons or entities engaged in the operation of
 161 | motion picture or television studios or recording studios; those
 162 | persons or entities engaged in the preproduction, production, or
 163 | postproduction of motion pictures, made-for-television movies,
 164 | television programming, digital media projects, commercial
 165 | advertising, music videos, or sound recordings; and those
 166 | persons or entities providing products or services directly
 167 | related to the preproduction, production, or postproduction of
 168 | motion pictures, made-for-television movies, television
 169 | programming, digital media projects, commercial advertising,
 170 | music videos, or sound recordings, including, but not limited
 171 | to, the broadcast industry.

172 | Section 3. Section 288.1251, Florida Statutes, is
 173 | transferred, renumbered as section 288.914, Florida Statutes,
 174 | and amended to read:

175 | 288.914 ~~288.1251~~ Promotion and development of
 176 | entertainment industry; Office of Film and Entertainment;
 177 | creation; purpose; powers and duties.—

178 | (1) CREATION.—

179 | ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
 180 | ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~
 181 | ~~the Office of Film and Entertainment~~ for the purpose of
 182 | developing, recruiting, marketing, promoting, and providing

183 services to the state's entertainment industry. The division
 184 shall serve as a liaison between the entertainment industry and
 185 other state and local governmental agencies, local film
 186 commissions, and labor organizations.

187 (2) ~~(b)~~ COMMISSIONER.—The Governor shall appoint the film
 188 and entertainment commissioner, who shall serve at the pleasure
 189 of the Governor and is subject to confirmation by the Senate.
 190 ~~department shall conduct a national search for a qualified~~
 191 ~~person to fill the position of Commissioner of Film and~~
 192 ~~Entertainment when the position is vacant. The executive~~
 193 ~~director of the department has the responsibility to hire the~~
 194 ~~film commissioner.~~ Qualifications for the film commissioner
 195 include, but are not limited to, the following:

196 (a)1. A working knowledge of and experience with the
 197 equipment, personnel, financial, and day-to-day production
 198 operations of the industries to be served by the division ~~Office~~
 199 ~~of Film and Entertainment;~~

200 (b)2. Marketing and promotion experience related to the
 201 film and entertainment industries to be served;

202 (c)3. Experience working with a variety of individuals
 203 representing large and small entertainment-related businesses,
 204 industry associations, local community entertainment industry
 205 liaisons, and labor organizations; and

206 (d)4. Experience working with a variety of state and local
 207 governmental agencies.

208 (3) ~~(2)~~ POWERS AND DUTIES.—

209 (a) The Division Office of Film and Entertainment, in
 210 performance of its duties, shall develop and
 211 ~~1. In consultation with the Florida Film and Entertainment~~
 212 ~~Advisory Council,~~ update a 5-year the strategic plan ~~every 5~~
 213 ~~years~~ to guide the activities of the division Office of Film and
 214 ~~Entertainment~~ in the areas of entertainment industry
 215 development, marketing, promotion, liaison services, field
 216 office administration, and information. The plan shall:
 217 a. be ~~Be~~ annual in construction and ongoing in nature.
 218 1. ~~b.~~ At a minimum, the plan must address the following:
 219 a. Include recommendations relating to the ~~The~~
 220 organizational structure of the division, including any field
 221 offices outside the state. ~~office.~~
 222 b. ~~e.~~ The coordination of the division with local or
 223 regional offices maintained by counties and regions of the
 224 state, local film commissions, and labor organizations, and the
 225 coordination of such entities with each other to facilitate a
 226 working relationship.
 227 c. Strategies to identify, solicit, and recruit
 228 entertainment production opportunities for the state, including
 229 implementation of programs for rural and urban areas designed to
 230 develop and promote the state's entertainment industry.
 231 d. Include an ~~An~~ annual budget projection for the division
 232 ~~office~~ for each year of the plan.
 233 d. ~~Include an operational model for the office to use in~~
 234 ~~implementing programs for rural and urban areas designed to:~~

235 ~~—— (I) Develop and promote the state's entertainment~~
 236 ~~industry.~~

237 ~~—— (II) Have the office serve as a liaison between the~~
 238 ~~entertainment industry and other state and local governmental~~
 239 ~~agencies, local film commissions, and labor organizations.~~

240 ~~—— (III) Gather statistical information related to the~~
 241 ~~state's entertainment industry.~~

242 e. ~~(IV) Provision of~~ Provide information and service to
 243 businesses, communities, organizations, and individuals engaged
 244 in entertainment industry activities.

245 ~~(V) Administer field offices outside the state and~~
 246 ~~coordinate with regional offices maintained by counties and~~
 247 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
 248 ~~as necessary.~~

249 f. e. ~~Include performance~~ Performance standards and
 250 measurable outcomes for the programs to be implemented by the
 251 division office.

252 2. The plan shall be annually reviewed and approved by
 253 the board of directors of Enterprise Florida, Inc.

254 ~~f. Include an assessment of, and make recommendations on,~~
 255 ~~the feasibility of creating an alternative public-private~~
 256 ~~partnership for the purpose of contracting with such a~~
 257 ~~partnership for the administration of the state's entertainment~~
 258 ~~industry promotion, development, marketing, and service~~
 259 ~~programs.~~

260 ~~—— 2. Develop, market, and facilitate a working relationship~~

261 ~~between state agencies and local governments in cooperation with~~
 262 ~~local film commission offices for out-of-state and indigenous~~
 263 ~~entertainment industry production entities.~~

264 ~~3. Implement a structured methodology prescribed for~~
 265 ~~coordinating activities of local offices with each other and the~~
 266 ~~commissioner's office.~~

267 (b) The division shall also:

268 ~~1.4.~~ Represent the state's indigenous entertainment
 269 industry to key decisionmakers within the national and
 270 international entertainment industry, and to state and local
 271 officials.

272 ~~2.5.~~ Prepare an inventory and analysis of the state's
 273 entertainment industry, including, but not limited to,
 274 information on crew, related businesses, support services, job
 275 creation, talent, and economic impact and coordinate with local
 276 offices to develop an information tool for common use. Any
 277 economic impact analysis created pursuant to this paragraph
 278 shall be made in coordination with the Office of Economic and
 279 Demographic Research.

280 ~~3.6.~~ Identify, solicit, and recruit entertainment
 281 production opportunities for the state.

282 ~~4.7.~~ Assist rural communities and other small communities
 283 in the state in developing the expertise and capacity necessary
 284 for such communities to develop, market, promote, and provide
 285 services to the state's entertainment industry.

286 ~~(c)(b)~~ The division ~~Office of Film and Entertainment~~, in

287 the performance of its duties, may:

288 1. Conduct or contract for specific promotion and
 289 marketing functions, including, but not limited to, production
 290 of a statewide directory, production and maintenance of an
 291 Internet website, establishment and maintenance of a toll-free
 292 telephone number, organization of trade show participation, and
 293 appropriate cooperative marketing opportunities.

294 2. Conduct its affairs, carry on its operations, establish
 295 offices, and exercise the powers granted by this act in any
 296 state, territory, district, or possession of the United States.

297 3. Carry out any program of information, special events,
 298 or publicity designed to attract entertainment industry to
 299 Florida.

300 4. Develop relationships and leverage resources with other
 301 public and private organizations or groups in their efforts to
 302 publicize to the entertainment industry in this state, other
 303 states, and other countries the depth of Florida's entertainment
 304 industry talent, crew, production companies, production
 305 equipment resources, related businesses, and support services,
 306 including the establishment of and expenditure for a program of
 307 cooperative advertising with these public and private
 308 organizations and groups in accordance with the provisions of
 309 chapter 120.

310 5. Provide and arrange for reasonable and necessary
 311 promotional items and services for such persons as the division
 312 ~~office~~ deems proper in connection with the performance of the

313 promotional and other duties of the division ~~office~~.

314 6. Prepare an ~~annual~~ economic impact analysis in
 315 coordination with the Office of Economic and Demographic
 316 Research on entertainment industry-related activities in the
 317 state.

318 7. Request or accept any grant, payment, or gift of funds
 319 or property made by this state, the United States, or any
 320 department or agency thereof, or by any individual, firm,
 321 corporation, municipality, county, or organization, for ~~any or~~
 322 ~~all of the purposes of the Office of Film and Entertainment's 5-~~
 323 year strategic plan or those permitted activities enumerated in
 324 this paragraph. Such funds shall be deposited in a separate
 325 account ~~the Grants and Donations Trust Fund of the Executive~~
 326 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
 327 ~~and Entertainment~~ in carrying out its responsibilities and
 328 duties as delineated in law. The division ~~office~~ may expend such
 329 funds in accordance with the terms and conditions of any such
 330 grant, payment, or gift in the pursuit of its administration or
 331 in support of fulfilling its duties and responsibilities. The
 332 division ~~office~~ shall separately account for the public funds
 333 and the private funds deposited into the account ~~trust fund~~.

334 Section 4. Section 288.1252, Florida Statutes, is
 335 repealed.

336 Section 5. Section 288.1253, Florida Statutes, is
 337 transferred, renumbered as section 288.915, Florida Statutes,
 338 and amended to read:

339 | 288.915 ~~288.1253~~ Travel and entertainment expenses.—

340 | (1) As used in this section, the term "travel expenses"
 341 | means the actual, necessary, and reasonable costs of
 342 | transportation, meals, lodging, and incidental expenses normally
 343 | incurred by an employee of the Division Office of Film and
 344 | Entertainment within Enterprise Florida, Inc., as which costs
 345 | ~~are~~ defined and prescribed by ~~rules adopted by the~~ department
 346 | rule, subject to approval by the Chief Financial Officer.

347 | (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
 348 | department shall adopt rules by which the Division of Film and
 349 | Entertainment ~~it~~ may make expenditures by reimbursement to~~+~~ the
 350 | Governor, the Lieutenant Governor, security staff of the
 351 | Governor or Lieutenant Governor, the Commissioner of Film and
 352 | Entertainment, or staff of the Division Office of Film and
 353 | Entertainment for travel expenses or entertainment expenses
 354 | incurred by such individuals solely and exclusively in
 355 | connection with the performance of the statutory duties of the
 356 | division Office of Film and Entertainment. The rules are subject
 357 | to approval by the Chief Financial Officer before adoption. The
 358 | rules shall require the submission of paid receipts, or other
 359 | proof of expenditure prescribed by the Chief Financial Officer,
 360 | with any claim for reimbursement.

361 | (3) The Division Office of Film and Entertainment shall
 362 | include in the annual report for the entertainment industry
 363 | ~~financial incentive~~ program required under s. 288.1254~~(10)~~ a
 364 | report of the division's office's expenditures for the previous

365 fiscal year. The report must consist of a summary of all travel,
366 entertainment, and incidental expenses incurred within the
367 United States and all travel, entertainment, and incidental
368 expenses incurred outside the United States, as well as a
369 summary of all successful projects that developed from such
370 travel.

371 (4) The Division ~~Office~~ of Film and Entertainment and its
372 employees and representatives, when authorized, may accept and
373 use complimentary travel, accommodations, meeting space, meals,
374 equipment, transportation, and any other goods or services
375 necessary for or beneficial to the performance of the division's
376 ~~office's~~ duties and purposes, so long as such acceptance or use
377 is not in conflict with part III of chapter 112. The department
378 shall, by rule, develop internal controls to ensure that such
379 goods or services accepted or used pursuant to this subsection
380 are limited to those that will assist solely and exclusively in
381 the furtherance of the division's ~~office's~~ goals and are in
382 compliance with part III of chapter 112. Notwithstanding this
383 subsection, the division and its employees and representatives
384 shall not accept any complimentary travel, accommodation,
385 meeting space, meals, equipment, transportation, or any other
386 goods or services from any entity or party, including any
387 employee, designee, or representative of such entity or party,
388 that has received, has applied to receive, or anticipates
389 applying to receive funds under s. 288.1256. If any person
390 accepts any such goods or services, he or she shall be subject

391 to the penalties provided in s. 112.317.

392 (5) Any claim submitted under this section is not required
 393 to be sworn to before a notary public or other officer
 394 authorized to administer oaths, but any claim authorized or
 395 required to be made under any provision of this section shall
 396 contain a statement that the expenses were actually incurred as
 397 necessary travel or entertainment expenses in the performance of
 398 official duties of the Division ~~Office~~ of Film and Entertainment
 399 and shall be verified by written declaration that it is true and
 400 correct as to every material matter. Any person who willfully
 401 makes and subscribes to any claim that ~~which~~ he or she does not
 402 believe to be true and correct as to every material matter or
 403 who willfully aids or assists in, procures, or counsels or
 404 advises with respect to, the preparation or presentation of a
 405 claim pursuant to this section which ~~that~~ is fraudulent or false
 406 as to any material matter, whether such falsity or fraud is with
 407 the knowledge or consent of the person authorized or required to
 408 present the claim, commits a misdemeanor of the second degree,
 409 punishable as provided in s. 775.082 or s. 775.083. Whoever
 410 receives a reimbursement by means of a false claim is civilly
 411 liable, in the amount of the overpayment, for the reimbursement
 412 of the public fund from which the claim was paid.

413 Section 6. Subsections (1), (2), (3), (4), (5), (6), (7),
 414 and (11) of section 288.1254, Florida Statutes, are amended to
 415 read:

416 288.1254 Entertainment industry financial incentive

417 | economic development tax credit program.—

418 | (1) DEFINITIONS.—As used in this section, the term:

419 | (a) "Certified production" means a qualified production
 420 | that has tax credits allocated to it by the department based on
 421 | the production's estimated qualified expenditures, up to the
 422 | production's maximum certified amount of tax credits, by the
 423 | department. The term does not include a production if its first
 424 | day of principal photography or project start date in this state
 425 | occurs before the production is certified by the department,
 426 | unless the production spans more than 1 fiscal year, was a
 427 | certified production on its first day of principal photography
 428 | or project start date in this state, and submits an application
 429 | for continuing the same production for the subsequent fiscal
 430 | year.

431 | (b) "Digital media project" means a production of
 432 | interactive entertainment that is produced for distribution in
 433 | commercial or educational markets. The term includes a video
 434 | game or production intended for Internet or wireless
 435 | distribution, an interactive website, digital animation, and
 436 | visual effects, including, but not limited to, three-dimensional
 437 | movie productions and movie conversions. The term does not
 438 | include a production that contains content that is obscene as
 439 | defined in s. 847.001.

440 | (c) "High-impact digital media project" means a digital
 441 | media project that has qualified expenditures greater than \$4.5
 442 | million.

443 (d) "High-impact television production series" means:
444 1. A a-production series created to run multiple
445 production seasons which has ~~and having~~ an estimated order of at
446 least seven episodes per season and qualified expenditures of at
447 least \$1 million ~~\$625,000~~ per episode; or
448 2. A telenovela that has qualified expenditures of more
449 than \$4.5 million; a minimum of 45 principal photography days
450 filmed in this state; a production cast, including background
451 actors and crew, of which at least 90 percent are legal
452 residents of the state; and at least 90 percent of the
453 production occurring in this state.

454 (e) "Off-season certified production" means a feature
455 film, independent film, or television series or pilot that films
456 75 percent or more of its principal photography days from June 1
457 through November 30.

458 (f) "Principal photography" means the filming of major or
459 significant components of the qualified production which involve
460 lead actors.

461 (g) "Production" means a theatrical or direct-to-video
462 motion picture; a made-for-television motion picture; visual
463 effects or digital animation sequences produced in conjunction
464 with a motion picture; a commercial; a music video; an
465 industrial or educational film; an infomercial; a documentary
466 film; a television pilot program; a presentation for a
467 television pilot program; a television series, including, but
468 not limited to, a drama, a reality show, a comedy, a soap opera,

469 a telenovela, a game show, an awards show, or a miniseries
 470 production; a direct-to-Internet television series; or a digital
 471 media project by the entertainment industry. One season of a
 472 television series is considered one production. The term does
 473 not include a weather or market program; a sporting event or a
 474 sporting event broadcast; a gala; a production that solicits
 475 funds; a home shopping program; a political program; a political
 476 documentary; political advertising; a gambling-related project
 477 or production; a concert production; a local, regional, or
 478 Internet-distributed-only news show or current-events show; a
 479 sports news or sports recap show; a pornographic production; or
 480 any production deemed obscene under chapter 847. A production
 481 may be produced on or by film, tape, or otherwise by means of a
 482 motion picture camera; electronic camera or device; tape device;
 483 computer; any combination of the foregoing; or any other means,
 484 method, or device.

485 (h) "Production expenditures" means the costs of tangible
 486 and intangible property used for, and services performed
 487 primarily and customarily in, production, including
 488 preproduction and postproduction, but excluding costs for
 489 development, marketing, and distribution. The term includes, but
 490 is not limited to:

- 491 1. Wages, salaries, or other compensation paid to legal
 492 residents of this state, including amounts paid through payroll
 493 service companies, for technical and production crews,
 494 directors, producers, and performers.

495 2. Net expenditures for sound stages, backlots, production
 496 editing, digital effects, sound recordings, sets, and set
 497 construction.

498 3. Net expenditures for rental equipment, including, but
 499 not limited to, cameras and grip or electrical equipment.

500 4. Up to \$300,000 of the costs of newly purchased computer
 501 software and hardware unique to the project, including servers,
 502 data processing, and visualization technologies, which are
 503 located in and used exclusively in the state for the production
 504 of digital media.

505 5. Expenditures for meals, travel, and accommodations. For
 506 purposes of this paragraph, the term "net expenditures" means
 507 the actual amount of money a qualified production spent for
 508 equipment or other tangible personal property, after subtracting
 509 any consideration received for reselling or transferring the
 510 item after the qualified production ends, if applicable.

511 (i) "Qualified expenditures" means production expenditures
 512 incurred in this state by a qualified production for:

513 1. Goods purchased or leased from, or services, including,
 514 but not limited to, insurance costs and bonding, payroll
 515 services, and legal fees, which are provided by, a vendor or
 516 supplier in this state that is registered with the Department of
 517 State or the Department of Revenue, has a physical location in
 518 this state, and employs one or more legal residents of this
 519 state. This does not include rebilled goods or services provided
 520 by an in-state company from out-of-state vendors or suppliers.

521 When services provided by the vendor or supplier include
 522 personal services or labor, only personal services or labor
 523 provided by residents of this state, evidenced by the required
 524 documentation of residency in this state, qualify.

525 2. Payments to legal residents of this state in the form
 526 of salary, wages, or other compensation up to a maximum of
 527 \$400,000 per resident unless otherwise specified in subsection
 528 (4). A completed declaration of residency in this state must
 529 accompany the documentation submitted to the office for
 530 reimbursement.

531
 532 For a qualified production involving an event, such as an awards
 533 show, the term does not include expenditures solely associated
 534 with the event itself and not directly required by the
 535 production. The term does not include expenditures incurred
 536 before certification, with the exception of those incurred for a
 537 commercial, a music video, or the pickup of additional episodes
 538 of a high-impact television series within a single season. Under
 539 no circumstances may the qualified production include in the
 540 calculation for qualified expenditures the original purchase
 541 price for equipment or other tangible property that is later
 542 sold or transferred by the qualified production for
 543 consideration. In such cases, the qualified expenditure is the
 544 net of the original purchase price minus the consideration
 545 received upon sale or transfer.

546 (j) "Qualified production" means a production in this

547 state meeting the requirements of this section. The term does
548 not include a production:

549 1. In which, for the first 2 years of the incentive
550 program, less than 50 percent, and thereafter, less than 60
551 percent, of the positions that make up its production cast and
552 below-the-line production crew, or, in the case of digital media
553 projects, less than 75 percent of such positions, are filled by
554 legal residents of this state, whose residency is demonstrated
555 by a valid Florida driver license or other state-issued
556 identification confirming residency, or students enrolled full-
557 time in a film-and-entertainment-related course of study at an
558 institution of higher education in this state; or

559 2. That contains obscene content as defined in s.
560 847.001(10).

561 (k) "Qualified production company" means a corporation,
562 limited liability company, partnership, or other legal entity
563 engaged in one or more productions in this state.

564 (l) "Qualified digital media production facility" means a
565 building or series of buildings and their improvements in which
566 data processing, visualization, and sound synchronization
567 technologies are regularly applied for the production of
568 qualified digital media projects or the digital animation
569 components of qualified productions.

570 (m) "Qualified production facility" means a building or
571 complex of buildings and their improvements and associated
572 backlot facilities in which regular filming activity for film or

573 television has occurred for a period of no less than 1 year and
574 which contain at least one sound stage of at least 7,800 square
575 feet.

576 ~~(n) "Regional population ratio" means the ratio of the~~
577 ~~population of a region to the population of this state. The~~
578 ~~regional population ratio applicable to a given fiscal year is~~
579 ~~the regional population ratio calculated by the Office of Film~~
580 ~~and Entertainment using the latest official estimates of~~
581 ~~population certified under s. 186.901, available on the first~~
582 ~~day of that fiscal year.~~

583 ~~(o) "Regional tax credit ratio" means a ratio the~~
584 ~~numerator of which is the sum of tax credits awarded to~~
585 ~~productions in a region to date plus the tax credits certified,~~
586 ~~but not yet awarded, to productions currently in that region and~~
587 ~~the denominator of which is the sum of all tax credits awarded~~
588 ~~in the state to date plus all tax credits certified, but not yet~~
589 ~~awarded, to productions currently in the state. The regional tax~~
590 ~~credit ratio applicable to a given year is the regional tax~~
591 ~~credit ratio calculated by the Office of Film and Entertainment~~
592 ~~using credit award and certification information available on~~
593 ~~the first day of that fiscal year.~~

594 ~~(p) "Underutilized region" for a given state fiscal year~~
595 ~~means a region with a regional tax credit ratio applicable to~~
596 ~~that fiscal year that is lower than its regional population~~
597 ~~ratio applicable to that fiscal year. The following regions are~~
598 ~~established for purposes of making this determination:~~

599 1. ~~North Region, consisting of Alachua, Baker, Bay,~~
 600 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
 601 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
 602 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
 603 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
 604 ~~Union, Wakulla, Walton, and Washington Counties.~~

605 2. ~~Central East Region, consisting of Brevard, Flagler,~~
 606 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
 607 ~~Lucie, and Volusia Counties.~~

608 3. ~~Central West Region, consisting of Citrus, Hernando,~~
 609 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
 610 ~~and Sumter Counties.~~

611 4. ~~Southwest Region, consisting of Charlotte, Collier,~~
 612 ~~DeSoto, Glades, Hardee, Hendry, Highlands, and Lee Counties.~~

613 5. ~~Southeast Region, consisting of Broward, Martin, Miami-~~
 614 ~~Dade, Monroe, and Palm Beach Counties.~~

615 (n) ~~(g)~~ "Interactive website" means a website or group of
 616 websites that includes interactive and downloadable content, and
 617 creates 25 new Florida full-time equivalent positions operating
 618 from a principal place of business located within Florida. An
 619 interactive website or group of websites must provide
 620 documentation to the Division of Film and Entertainment that
 621 those jobs were created ~~to the Office of Film and Entertainment~~
 622 prior to the award of tax credits. Each subsequent program
 623 application must provide proof that 25 Florida full-time
 624 equivalent positions are maintained.

625 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
 626 industry financial incentive program is created within the
 627 Office of Film and Entertainment. The purpose of this program is
 628 to encourage the use of this state as a site for filming, for
 629 the digital production of films, and to develop and sustain the
 630 workforce and infrastructure for film, digital media, and
 631 entertainment production.

632 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

633 (a) Program application.—A qualified production company
 634 producing a qualified production in this state may submit a
 635 program application to the Division ~~Office~~ of Film and
 636 Entertainment for the purpose of determining qualification for
 637 an award of tax credits authorized by this section no earlier
 638 than 180 days before the first day of principal photography or
 639 project start date in this state. The applicant shall provide
 640 the Division ~~Office~~ of Film and Entertainment with information
 641 required to determine whether the production is a qualified
 642 production and to determine the qualified expenditures and other
 643 information necessary for the division ~~office~~ to determine
 644 eligibility for the tax credit.

645 (b) Required documentation.—The Division ~~Office~~ of Film
 646 and Entertainment shall develop an application form for
 647 qualifying an applicant as a qualified production. The form must
 648 include, but need not be limited to, production-related
 649 information concerning employment of residents in this state, a
 650 detailed budget of planned qualified expenditures and non-

651 qualified expenditures in this state, and the applicant's signed
652 affirmation that the information on the form has been verified
653 and is correct. The application shall require any information
654 needed to determine the expected economic benefit related to
655 each application pursuant to paragraph (c) of this subsection.
656 The ~~Division Office~~ of Film and Entertainment and local film
657 commissions shall distribute the form.

658 (c) Application process.—

659 1. The Division of Film and Entertainment shall establish
660 a process to receive and review applications.

661 2. The Office of Economic and Demographic Research shall
662 create or approve a model to be used by the Division of Film and
663 Entertainment to determine the expected economic benefit of the
664 proposed production in each application. The expected economic
665 benefit derived from such model shall be quantified in a
666 numerical score awarded to the application. Such score shall be
667 known as the "Production Priority Score."

668 3. The Division of Film and Entertainment shall designate
669 two application cycles per fiscal year for qualified production
670 companies to submit applications pursuant to this section. Each
671 application cycle shall consist of an application submittal
672 deadline and a subsequent review period. The two application
673 deadlines shall be separated in time by at least four months.
674 The first application cycle shall be "Application Cycle A" and
675 the second application cycle shall be "Application Cycle B."
676 Each applicant must designate the cycle for which applicant is

677 applying.

678 4. The Division of Film and Entertainment shall designate
679 the length of the review period for each application cycle which
680 shall immediately follow its corresponding deadline and shall
681 not exceed 30 days. During each review period, the Division of
682 Film and Entertainment shall:

683 a. Review each timely received application to ensure that
684 such applications are complete and shall label each application
685 according to its queue as set forth in subsection (4) of this
686 section.

687 b. Use the model created or approved by the Office of
688 Economic and Demographic Research to determine each
689 application's Production Priority Score.

690 c. Submit each complete and timely received application
691 along with its Production Priority Score to the department.

692 5. Applications not timely received may not carry forward
693 to a subsequent application cycle.

694 ~~The Office of Film and Entertainment shall establish a process~~
695 ~~by which an application is accepted and reviewed and by which~~
696 ~~tax credit eligibility and award amount are determined. The~~
697 ~~Office of Film and Entertainment may request assistance from a~~
698 ~~duly appointed local film commission in determining compliance~~
699 ~~with this section.~~

700 6. A certified high-impact television series may submit an
701 initial application for no more than two successive seasons,
702 notwithstanding the fact that the successive seasons have not

703 | been ordered. The successive season's qualified expenditure
 704 | amounts shall be based on the current season's estimated
 705 | qualified expenditures. Upon the completion of production of
 706 | each season, a high-impact television series may submit an
 707 | application for no more than one additional season.

708 | (d) Certification. ~~The Office of Film and Entertainment~~
 709 | ~~shall review the application within 15 business days after~~
 710 | ~~receipt. Upon its determination that the application contains~~
 711 | ~~all the information required by this subsection and meets the~~
 712 | ~~criteria set out in this section, the Office of Film and~~
 713 | ~~Entertainment shall qualify the applicant and recommend to the~~
 714 | ~~department that the applicant be certified for the maximum tax~~
 715 | ~~credit award amount.~~

716 | 1. Within 5 business days after the completion of an
 717 | application cycle review period, receipt of the recommendation,
 718 | the department shall ~~reject the recommendation or~~ certify the
 719 | maximum ~~recommended~~ tax credit award, if any, to the each
 720 | applicant with priority given to applications that received the
 721 | highest Production Priority Score. The department shall only
 722 | compare an application's Production Priority Score to
 723 | applications of the same queue pursuant to subsection (4) of
 724 | this section. The department shall submit certified applications
 725 | ~~and~~ to the executive director of the Department of Revenue.

726 | 2. The department may only certify up to 50 percent of
 727 | the credits available in a fiscal year for Application Cycle A
 728 | of such fiscal year. All remaining tax credits in a fiscal year

729 may be certified in Application Cycle B.

730 3. In any fiscal year, the department may only certify
731 the amount of tax credits allocated for that fiscal year.

732 (e) Employment.-

733 1. Upon certification by the department, the production
734 company must provide the Division of Film and Entertainment with
735 a single point of contact and information related to the
736 production's need for Florida workforce, goods, and services.
737 The division shall publish this information on its website,
738 including the type of production, the project's anticipated
739 start date, and anticipated principal photography locations. The
740 department may adopt rules to implement this paragraph.

741 2. A production company, upon receiving the tax credit
742 award, shall contribute 5 percent of the award to a workforce
743 training program or an institution of higher education in this
744 state that is designated by the department as an approved
745 recipient of workforce development funds under this paragraph.

746 3. A production company that is engaged in a high-impact
747 production shall provide internship opportunities for no fewer
748 than five Florida residents from an approved recipient of
749 workforce development funds under this paragraph. Such
750 internship opportunities shall be advertised on the state's job
751 bank system.

752 (f) Grounds for denial.-The Office of Film and
753 Entertainment shall deny an application if it determines that
754 the application is not complete or the production or application

755 does not meet the requirements of this section. Within 90 days
756 after submitting a program application, except with respect to
757 applications in the independent and emerging media queue, a
758 production must provide proof of project financing to the
759 Division Office of Film and Entertainment, otherwise the project
760 is deemed denied and withdrawn. A project that has been
761 withdrawn may submit a new application upon providing the
762 Division Office of Film and Entertainment proof of financing.

763 (g) ~~(f)~~ Verification of actual qualified expenditures.—

764 1. The Division Office of Film and Entertainment shall
765 develop a process to verify the actual qualified expenditures of
766 a certified production. The process must require:

767 a. A certified production to submit, in a timely manner
768 after production ends in this state and after making all of its
769 qualified expenditures in this state, data substantiating each
770 qualified expenditure, including documentation on the net
771 expenditure on equipment and other tangible personal property by
772 the qualified production, to an independent certified public
773 accountant licensed in this state;

774 b. Such accountant to conduct a compliance audit, at the
775 certified production's expense, to substantiate each qualified
776 expenditure and submit the results as a report, along with the
777 required substantiating data, to the Division Office of Film and
778 Entertainment; and

779 c. The Division Office of Film and Entertainment to review
780 the accountant's submittal and report to the department the

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781 final verified amount of actual qualified expenditures made by
782 the certified production.

783 2. The department shall determine and approve the final
784 tax credit award amount to each certified applicant based on the
785 final verified amount of actual qualified expenditures and shall
786 notify the executive director of the Department of Revenue in
787 writing that the certified production has met the requirements
788 of the incentive program and of the final amount of the tax
789 credit award. The final tax credit award amount may not exceed
790 the maximum tax credit award amount certified under paragraph
791 (d).

792 (h) ~~(g)~~ Promoting Florida.—The Division Office of Film and
793 Entertainment shall ensure that, as a condition of receiving a
794 tax credit under this section, marketing materials promoting
795 this state as a tourist destination or film and entertainment
796 production destination are included, when appropriate, at no
797 cost to the state, which must, at a minimum, include placement
798 of a "Filmed in Florida" or "Produced in Florida" logo in the
799 end credits. The placement of a "Filmed in Florida" or "Produced
800 in Florida" logo on all packaging material and hard media is
801 also required, unless such placement is prohibited by licensing
802 or other contractual obligations. The size and placement of such
803 logo shall be commensurate to other logos used. If no logos are
804 used, the statement "Filmed in Florida using Florida's
805 Entertainment Industry Financial Incentive," or a similar
806 statement approved by the Division Office of Film and

807 Entertainment, shall be used. The Division ~~Office~~ of Film and
 808 Entertainment shall provide a logo and supply it for the
 809 purposes specified in this paragraph. A 30-second "Visit
 810 Florida" promotional video must also be included on all optical
 811 disc formats of a film, unless such placement is prohibited by
 812 licensing or other contractual obligations. The 30-second
 813 promotional video shall be approved and provided by the Florida
 814 Tourism Industry Marketing Corporation in consultation with the
 815 Commissioner of Film and Entertainment. A qualified production
 816 company that receives certification for tax credits under this
 817 section shall include, at no additional cost to the state, a
 818 link to the Florida Tourism Industry Marketing Corporation
 819 website or another website designated by the department on the
 820 company's website for the entire term of the commitment. If the
 821 company is unable to comply with this requirement, it must
 822 provide a promotional opportunity of equal or greater value as
 823 approved by and at the sole discretion of the department.

824 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
 825 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
 826 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
 827 ACQUISITIONS.—

828 ~~(a) Priority for tax credit award. The priority of a~~
 829 ~~qualified production for tax credit awards must be determined on~~
 830 ~~a first-come, first-served basis within its appropriate queue.~~
 831 ~~Each qualified production must be placed into the appropriate~~
 832 ~~queue and is subject to the requirements of that queue.~~

833 (a) ~~(b)~~ Tax credit eligibility.— Each qualified production
 834 must be placed into the appropriate queue and is subject to the
 835 requirements of that queue.

836 1. General production queue.—Ninety-four percent of tax
 837 credits authorized pursuant to subsection (6) in any state
 838 fiscal year must be dedicated to the general production queue.
 839 The general production queue consists of all qualified
 840 productions other than those eligible for the commercial and
 841 music video queue or the independent and emerging media
 842 production queue. A qualified production that demonstrates a
 843 minimum of \$625,000 in qualified expenditures is eligible for
 844 tax credits equal to 20 percent of its actual qualified
 845 expenditures, up to a maximum of \$8 million. A qualified
 846 production that incurs qualified expenditures during multiple
 847 state fiscal years may combine those expenditures to satisfy the
 848 \$625,000 minimum threshold.

849 a. An off-season certified production that is a feature
 850 film, independent film, or television series or pilot is
 851 eligible for an additional 5 percent tax credit on actual
 852 qualified expenditures. An off-season certified production that
 853 does not complete 75 percent of principal photography due to a
 854 disruption caused by a hurricane or tropical storm may not be
 855 disqualified from eligibility for the additional 5 percent
 856 credit as a result of the disruption.

857 ~~b. If more than 45 percent of the sum of total tax credits~~
 858 ~~initially certified and awarded after April 1, 2012, total tax~~

859 ~~credits initially certified after April 1, 2012, but not yet~~
860 ~~awarded, and total tax credits available for certification after~~
861 ~~April 1, 2012, but not yet certified has been awarded for high-~~
862 ~~impact television series, then no high-impact television series~~
863 ~~is eligible for tax credits under this subparagraph. Tax credits~~
864 ~~initially certified for a high-impact television series after~~
865 ~~April 1, 2012, may not be awarded if the award will cause the~~
866 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
867 ~~This sub-subparagraph does not prohibit the award of tax credits~~
868 ~~certified before April 1, 2012, for high-impact television~~
869 ~~series.~~

870 ~~e. Subject to sub-subparagraph b., first priority in the~~
871 ~~queue for tax credit awards not yet certified shall be given to~~
872 ~~high-impact television series and high-impact digital media~~
873 ~~projects. For the purposes of determining priority between a~~
874 ~~high-impact television series and a high-impact digital media~~
875 ~~project, the first position must go to the first application~~
876 ~~received. Thereafter, priority shall be determined by~~
877 ~~alternating between a high-impact television series and a high-~~
878 ~~impact digital media project on a first come, first-served~~
879 ~~basis. However, if the Office of Film and Entertainment receives~~
880 ~~an application for a high-impact television series or high-~~
881 ~~impact digital media project that would be certified but for the~~
882 ~~alternating priority, the office may certify the project as~~
883 ~~being in the priority position if an application that would~~
884 ~~normally be the priority position is not received within 5~~

885 ~~business days.~~

886 ~~d. A qualified production for which at least 67 percent of~~
887 ~~its principal photography days occur within a region designated~~
888 ~~as an underutilized region at the time that the production is~~
889 ~~certified is eligible for an additional 5 percent tax credit.~~

890 b. e. A qualified production may receive an additional 15-
891 percent tax credit on qualified expenditures on wages, salaries,
892 or other compensation paid to the following individuals employed
893 by the qualified production: that employs students enrolled
894 full-time in a film and entertainment-related or digital media-
895 related course of study at an institution of higher education in
896 this state, individuals participating in the road-to-
897 independence program under s. 409.1451, individuals with
898 developmental disabilities as defined in s. 393.063 who reside
899 in the state, and veterans residing in the state. ~~is eligible~~
900 ~~for an additional 15 percent tax credit on qualified~~
901 ~~expenditures that are wages, salaries, or other compensation~~
902 ~~paid to such students.~~ The additional 15 percent tax credit is
903 also applicable to persons hired within 12 months after
904 graduating from a film and entertainment-related or digital
905 media-related course of study at an institution of higher
906 education in this state. The additional 15 percent tax credit
907 applies to qualified expenditures that are wages, salaries, or
908 other compensation paid to such recent graduates for 1 year
909 after the date of hiring.

910 c. f. A qualified production for which 50 percent or more

911 of its principal photography occurs at a qualified production
 912 facility, or a qualified digital media project or the digital
 913 animation component of a qualified production for which 50
 914 percent or more of the project's or component's qualified
 915 expenditures are related to a qualified digital media production
 916 facility, is eligible for an additional 5 percent tax credit on
 917 actual qualified expenditures for production activity at that
 918 facility.

919 d. ~~g.~~ A qualified production is not eligible for tax
 920 credits provided under this paragraph totaling more than 25 ~~30~~
 921 percent of its actual qualified expenses.

922 2. Commercial and music video queue.—Three percent of tax
 923 credits authorized pursuant to subsection (6) in any state
 924 fiscal year must be dedicated to the commercial and music video
 925 queue. A qualified production company that produces national or
 926 regional commercials or music videos may be eligible for a tax
 927 credit award if it demonstrates a minimum of \$100,000 in
 928 qualified expenditures per national or regional commercial or
 929 music video and exceeds a combined threshold of \$500,000 after
 930 combining actual qualified expenditures from qualified
 931 commercials and music videos during a single state fiscal year.
 932 After a qualified production company that produces commercials,
 933 music videos, or both reaches the threshold of \$500,000, it is
 934 eligible to apply for certification for a tax credit award. The
 935 maximum credit award shall be equal to 20 percent of its actual
 936 qualified expenditures up to a maximum of \$500,000. If there is

937 a surplus at the end of a fiscal year after the department
 938 ~~Office of Film and Entertainment~~ certifies and determines the
 939 tax credits for all qualified commercial and video projects,
 940 such surplus tax credits shall be carried forward to the
 941 following fiscal year and are available to any eligible
 942 qualified productions under the general production queue.

943 3. Independent and emerging media production queue.—Three
 944 percent of tax credits authorized pursuant to subsection (6) in
 945 any state fiscal year must be dedicated to the independent and
 946 emerging media production queue. This queue is intended to
 947 encourage independent film and emerging media production in this
 948 state. Any qualified production, excluding commercials,
 949 infomercials, or music videos, which demonstrates at least
 950 \$100,000, but not more than \$625,000, in total qualified
 951 expenditures is eligible for tax credits equal to 20 percent of
 952 its actual qualified expenditures. If a surplus exists at the
 953 end of a fiscal year after the department ~~Office of Film and~~
 954 ~~Entertainment~~ certifies and determines the tax credits for all
 955 qualified independent and emerging media production projects,
 956 such surplus tax credits shall be carried forward to the
 957 following fiscal year and are available to any eligible
 958 qualified productions under the general production queue.

959 4. Family-friendly productions.—A certified theatrical or
 960 direct-to-video motion picture production or video game
 961 determined by the Commissioner of Film and Entertainment, ~~with~~
 962 ~~the advice of the Florida Film and Entertainment Advisory~~

963 ~~Council,~~ to be family-friendly, based on review of the script
 964 and review of the final release version, is eligible for an
 965 additional tax credit equal to 5 percent of its actual qualified
 966 expenditures. Family-friendly productions are those that have
 967 cross-generational appeal; would be considered suitable for
 968 viewing by children age 5 or older; are appropriate in theme,
 969 content, and language for a broad family audience; embody a
 970 responsible resolution of issues; and do not exhibit or imply
 971 any act of smoking, sex, nudity, or vulgar or profane language.

972 (b) ~~(e)~~ Withdrawal of tax credit eligibility.—A qualified
 973 or certified production must continue on a reasonable schedule,
 974 which includes beginning principal photography or the production
 975 project in this state no more than 45 calendar days before or
 976 after the principal photography or project start date provided
 977 in the production's program application. The department shall
 978 withdraw the eligibility of a qualified or certified production
 979 that does not continue on a reasonable schedule.

980 (c) ~~(d)~~ Election and distribution of tax credits.—

981 1. A certified production company receiving a tax credit
 982 award under this section shall, at the time the credit is
 983 awarded by the department after production is completed and all
 984 requirements to receive a credit award have been met, make an
 985 irrevocable election to apply the credit against taxes due under
 986 chapter 220, against state taxes collected or accrued under
 987 chapter 212, or against a stated combination of the two taxes.
 988 The election is binding upon any distributee, successor,

989 transferee, or purchaser. The department shall notify the
 990 Department of Revenue of any election made pursuant to this
 991 paragraph.

992 2. A qualified production company is eligible for tax
 993 credits against its sales and use tax liabilities and corporate
 994 income tax liabilities as provided in this section. However, tax
 995 credits awarded under this section may not be claimed against
 996 sales and use tax liabilities or corporate income tax
 997 liabilities for any tax period beginning before July 1, 2011,
 998 regardless of when the credits are applied for or awarded.

999 (d) ~~(e)~~ Tax credit carryforward.—If the certified
 1000 production company cannot use the entire tax credit in the
 1001 taxable year or reporting period in which the credit is awarded,
 1002 any excess amount may be carried forward to a succeeding taxable
 1003 year or reporting period. A tax credit applied against taxes
 1004 imposed under chapter 212 may be carried forward for a maximum
 1005 of 5 years after the date the credit is awarded. A tax credit
 1006 applied against taxes imposed under chapter 220 may be carried
 1007 forward for a maximum of 5 years after the date the credit is
 1008 awarded, after which the credit expires and may not be used.

1009 (e) ~~(f)~~ Consolidated returns.—A certified production
 1010 company that files a Florida consolidated return as a member of
 1011 an affiliated group under s. 220.131(1) may be allowed the
 1012 credit on a consolidated return basis up to the amount of the
 1013 tax imposed upon the consolidated group under chapter 220.

1014 (f) ~~(g)~~ Partnership and noncorporate distributions.—A

1015 qualified production company that is not a corporation as
 1016 defined in s. 220.03 may elect to distribute tax credits awarded
 1017 under this section to its partners or members in proportion to
 1018 their respective distributive income or loss in the taxable year
 1019 in which the tax credits were awarded.

1020 (g) ~~(h)~~ Mergers or acquisitions.—Tax credits available
 1021 under this section to a certified production company may succeed
 1022 to a surviving or acquiring entity subject to the same
 1023 conditions and limitations as described in this section;
 1024 however, they may not be transferred again by the surviving or
 1025 acquiring entity.

1026 (5) TRANSFER OF TAX CREDITS.—

1027 (a) Authorization.—Upon application to the Office of Film
 1028 and Entertainment and approval by the department, a certified
 1029 production company, or a partner or member that has received a
 1030 distribution under paragraph (4)(g), may elect to transfer, in
 1031 whole or in part, any unused credit amount granted under this
 1032 section. An election to transfer any unused tax credit amount
 1033 under chapter 212 or chapter 220 must be made no later than 5
 1034 years after the date the credit is awarded, after which period
 1035 the credit expires and may not be used. The department shall
 1036 notify the Department of Revenue of the election and transfer.

1037 (b) Number of transfers permitted.—A certified production
 1038 company that elects to apply a credit amount against taxes
 1039 remitted under chapter 212 is permitted a one-time transfer of
 1040 unused credits to one transferee. A certified production company

1041 that elects to apply a credit amount against taxes due under
 1042 chapter 220 is permitted a one-time transfer of unused credits
 1043 to no more than four transferees, and such transfers must occur
 1044 in the same taxable year.

1045 (c) Transferee rights and limitations.—The transferee is
 1046 subject to the same rights and limitations as the certified
 1047 production company awarded the tax credit, except that the
 1048 initial transferee shall be permitted a one-time transfer of
 1049 unused credits to no more than two subsequent transferees, and
 1050 such transfers must occur in the same taxable year as the
 1051 credits were received by the initial transferee, after which the
 1052 subsequent transferees may not sell or otherwise transfer the
 1053 tax credit.

1054 (6) RELINQUISHMENT OF TAX CREDITS.—

1055 (a) Beginning July 1, 2011, a certified production
 1056 company, or any person who has acquired a tax credit from a
 1057 certified production company pursuant to subsections (4) and
 1058 (5), may elect to relinquish the tax credit to the Department of
 1059 Revenue in exchange for 90 percent of the amount of the
 1060 relinquished tax credit.

1061 (b) The Department of Revenue may approve payments to
 1062 persons relinquishing tax credits pursuant to this subsection.

1063 (c) Subject to legislative appropriation, the Department
 1064 of Revenue shall request the Chief Financial Officer to issue
 1065 warrants to persons relinquishing tax credits. Payments under
 1066 this subsection shall be made from the funds from which the

1067 | proceeds from the taxes against which the tax credits could have
 1068 | been applied pursuant to the irrevocable election made by the
 1069 | certified production company under subsection (4) are deposited.

1070 | (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1071 | (a) The aggregate amount of the tax credits that may be
 1072 | certified pursuant to paragraph (3) (d) may not exceed:

- 1073 | 1. For fiscal year 2010-2011, \$53.5 million.
- 1074 | 2. For fiscal year 2011-2012, \$74.5 million.
- 1075 | 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
 1076 | 2015-2016, \$42 million per fiscal year.
- 1077 | 4. For fiscal year 2016-2017, \$50 million.

1078 | (b) Any portion of the maximum amount of tax credits
 1079 | established per fiscal year in paragraph (a) that is not
 1080 | certified as of the end of a fiscal year shall be carried
 1081 | forward and made available for certification during the
 1082 | following 2 fiscal years in addition to the amounts available
 1083 | for certification under paragraph (a) for those fiscal years.

1084 | (c) Upon approval of the final tax credit award amount
 1085 | pursuant to subparagraph (3) (f)2., an amount equal to the
 1086 | difference between the maximum tax credit award amount
 1087 | previously certified under paragraph (3) (d) and the approved
 1088 | final tax credit award amount shall immediately be available for
 1089 | recertification during the current and following fiscal years in
 1090 | addition to the amounts available for certification under
 1091 | paragraph (a) for those fiscal years.

1092 | ~~(d) If, during a fiscal year, the total amount of credits~~

1093 ~~applied for, pursuant to paragraph (3)(a), exceeds the amount of~~
 1094 ~~credits available for certification in that fiscal year, such~~
 1095 ~~excess shall be treated as having been applied for on the first~~
 1096 ~~day of the next fiscal year in which credits remain available~~
 1097 ~~for certification.~~

1098 (11) REPEAL.—This section is repealed July 1, 2021~~2016~~,
 1099 except that:

1100 (a) Tax credits certified under paragraph (3)(d) before
 1101 July 1, 2021~~2016~~, may be awarded under paragraph (3)(f) on or
 1102 after July 1, 2021~~2016~~, if the other requirements of this
 1103 section are met.

1104 (b) Tax credits carried forward under paragraph (4) (d)~~(e)~~
 1105 remain valid for the period specified.

1106 (c) Subsections (5), (8) and (9) shall remain in effect
 1107 until July 1, 2026~~2021~~.

1108 Section 7. Section 288.1256, Florida Statutes, is created
 1109 to read:

1110 288.1256 .—Production action fund.—

1111 (1) The production action fund is created within the
 1112 department in order to respond to extraordinary opportunities
 1113 and to compete effectively with other states to attract and
 1114 retain production companies and to provide favorable conditions
 1115 for the growth of the entertainment industry in this state.

1116 (2) As used in this section, the term:

1117 (a) "Division" means the Division of Film and
 1118 Entertainment within Enterprise Florida, Inc.

1119 (b) "Off-season" means June 1 through November 30.

1120 (c) "Principal photography" means the filming of major or
 1121 significant components of the project which involve lead actors.

1122 (d) "Production" means a theatrical, direct-to-video, or
 1123 direct-to-Internet motion picture; a made-for-television motion
 1124 picture; visual effects or digital animation sequences produced
 1125 in conjunction with a motion picture; a commercial; a music
 1126 video; an industrial or educational film; an infomercial; a
 1127 documentary film; a television pilot program; a presentation for
 1128 a television pilot program; a television series, including, but
 1129 not limited to, a drama, a reality show, a comedy, a soap opera,
 1130 a telenovela, a game show, an awards show, or a miniseries
 1131 production; a direct-to-Internet television series; or a digital
 1132 media project by the entertainment industry. One season of a
 1133 television series is considered one production. The term does
 1134 not include a weather or market program; a sporting event or a
 1135 sporting event broadcast; a gala; a production that solicits
 1136 funds; a home shopping program; a political program; a political
 1137 documentary; political advertising; a gambling-related project
 1138 or production; a concert production; a local, regional, or
 1139 Internet-distributed-only news show or current-events show; a
 1140 sports news or sports recap show; a pornographic production; or
 1141 any production deemed obscene under chapter 847. A production
 1142 may be produced on or by film, tape, or otherwise by means of a
 1143 motion picture camera; electronic camera or device; tape device;
 1144 computer; any combination of the foregoing; or any other means,

1145 method, or device.

1146 (e) "Production company" means a corporation, limited
 1147 liability company, partnership, or other legal entity engaged in
 1148 one or more productions in this state.

1149 (f) "Production expenditures" means the costs of tangible
 1150 and intangible property used for, and services performed
 1151 primarily and customarily in, production, including
 1152 preproduction and postproduction, but excluding costs for
 1153 development, marketing, and distribution. The term includes, but
 1154 is not limited to:

1155 1. Wages, salaries, or other compensation paid to legal
 1156 residents of this state, including amounts paid through payroll
 1157 service companies, for technical and production crews,
 1158 directors, producers, and performers.

1159 2. Net expenditures for sound stages, backlots,
 1160 production editing, digital effects, sound recordings, sets, and
 1161 set construction.

1162 3. Net expenditures for rental equipment, including, but
 1163 not limited to, cameras and grip or electrical equipment.

1164 4. Up to \$300,000 of the costs of newly purchased
 1165 computer software and hardware unique to the project, including
 1166 servers, data processing, and visualization technologies, which
 1167 are located in and used exclusively in this state for the
 1168 production of digital media.

1169 5. Expenditures for meals, travel, and accommodations. As
 1170 used in this paragraph, the term "net expenditures" means the

1171 actual amount of money a project spent for equipment or other
 1172 tangible personal property, after subtracting any consideration
 1173 received for reselling or transferring the item after the
 1174 production ends, if applicable.

1175 (g) "Project" means a production in this state meeting the
 1176 requirements of this section. The term does not include a
 1177 production:

1178 1. In which less than 70 percent of the positions that
 1179 make up its production cast and below-the-line production crew
 1180 are filled by legal residents of this state, whose residency is
 1181 demonstrated by a valid Florida driver license or other state-
 1182 issued identification confirming residency, or students enrolled
 1183 full-time in an entertainment-related course of study at an
 1184 institution of higher education in this state; or

1185 2. That contains obscene content as defined in s.
 1186 847.001(10).

1187 (h) "Qualified expenditures" means production expenditures
 1188 incurred in this state by a production company for:

1189 1. Goods purchased or leased from, or services,
 1190 including, but not limited to, insurance costs and bonding,
 1191 payroll services, and legal fees, which are provided by a vendor
 1192 or supplier in this state that is registered with the Department
 1193 of State or the Department of Revenue, has a physical location
 1194 in this state, and employs one or more legal residents of this
 1195 state. This does not include rebilled goods or services provided
 1196 by an in-state company from out-of-state vendors or suppliers.

1197 When services provided by the vendor or supplier include
 1198 personal services or labor, only personal services or labor
 1199 provided by residents of this state, evidenced by the required
 1200 documentation of residency in this state, qualify.

1201 2. Payments to legal residents of this state in the form
 1202 of salary, wages, or other compensation up to a maximum of
 1203 \$400,000 per resident unless otherwise specified in subsection
 1204 (4). A completed declaration of residency in this state must
 1205 accompany the documentation submitted to the department for
 1206 reimbursement.

1207
 1208 For a project involving an event, such as an awards show, the
 1209 term does not include expenditures solely associated with the
 1210 event itself and not directly required by the production. The
 1211 term does not include expenditures incurred before the agreement
 1212 is signed. The production company may not include in the
 1213 calculation for qualified expenditures the original purchase
 1214 price for equipment or other tangible property that is later
 1215 sold or transferred by the production company for consideration.
 1216 In such cases, the qualified expenditure is the net of the
 1217 original purchase price minus the consideration received upon
 1218 sale or transfer.

1219 (i) "Underutilized county" means a county in which less
 1220 than \$500,000 in qualified expenditures were made in the last 2
 1221 fiscal years.

1222 (3) A production company may apply for funds from the

1223 production action fund for a production or successive seasons of
 1224 a production. The department and the division shall jointly
 1225 review and evaluate applications to determine the eligibility of
 1226 each project consistent with the requirements of this section.
 1227 The department shall select projects that maximize the return to
 1228 the state.

1229 (4) The department and the division, in their review and
 1230 evaluation of applications, must consider the following
 1231 criteria:

1232 (a) Expected contributions to the state's economy,
 1233 consistent with the state strategic economic development plan
 1234 prepared by the department.

1235 (b) The amount of qualified and nonqualified expenditures
 1236 that will be made in this state, including spending or
 1237 contracting with Florida-based businesses and small and minority
 1238 businesses in this state.

1239 (c) Planned or executed contracts with production
 1240 facilities or soundstages in this state and the percentage of
 1241 principal photography or production activity that will occur at
 1242 each location.

1243 (d) Planned preproduction and postproduction to occur in
 1244 this state.

1245 (e) The amount of capital investment, especially fixed
 1246 capital investment, to be made directly by the production
 1247 company in this state related to the project.

1248 (f) The amount of any other capital investment to be made

1249 in this state related to the project.

1250 (g) The duration of the project in this state, including
1251 whether production will occur in the off-season.

1252 (h) The amount and duration of principal photography or
1253 production activity that will occur in an underutilized county.

1254 (i) The amount of promotion of Florida that the production
1255 company will provide for the state. This includes marketing
1256 materials promoting this state as a tourist destination or a
1257 film and entertainment production destination; placement of
1258 state agency logos in the production and credits; permitted use
1259 of production assets, characters, and themes by this state;
1260 promotional videos for this state included on optical disc
1261 formats; and other marketing integration.

1262 (j) The number of state residents that will be employed in
1263 full-time equivalent and part-time positions related to the
1264 project and the duration of such employment and the wages paid
1265 to such persons.

1266 (k) The employment of students enrolled full-time in an
1267 entertainment-related course of study at an institution of
1268 higher education in this state or of graduates from such an
1269 institution within 12 months after graduation.

1270 (l) Plans to work with entertainment industry-related
1271 courses of study at an institution of higher education in this
1272 state.

1273 (m) The local support and any financial commitment for the
1274 project.

1275 (n) The project is about this state or shows this state in
 1276 a positive light.

1277 (o) The length of time the production company has made
 1278 productions in this state, the number of productions the
 1279 production company has made in this state, and the production
 1280 company's overall commitment to this state. This includes a
 1281 production company that is based in this state.

1282 (p) The project is an independent film.

1283 (q) The amount of repayment the production company agrees
 1284 to pay the state. At a minimum, the production company must
 1285 agree to repay 25 percent of its final award amount when the
 1286 production generates \$20 million in gross revenues.

1287 (r) The expected effect of the award on the viability of
 1288 the project and the probability that the project would be
 1289 undertaken in this state if funds are granted to the production
 1290 company.

1291 (s) A review of the production company's past activities
 1292 in this state or other states.

1293 (5) A production company must have financing in place for
 1294 a project before it applies for funds under this section.

1295 (6) The department shall prescribe a form upon which an
 1296 application must be made. At a minimum, the application must
 1297 include:

1298 (a) The applicant's federal employer identification
 1299 number, reemployment assistance account number, and state sales
 1300 tax registration number, as applicable. If such numbers are not

- 1301 available at the time of application, they must be submitted to
 1302 the department in writing before the disbursement of any
 1303 payments.
- 1304 (b) The signature of the applicant.
- 1305 (c) A detailed budget of planned qualified and
 1306 nonqualified expenditures in this state.
- 1307 (d) The type and amount of capital investment that will be
 1308 made in this state.
- 1309 (e) The locations in this state at which the project will
 1310 occur.
- 1311 (f) The anticipated commencement date and duration of the
 1312 project.
- 1313 (g) The proposed number of state residents and nonstate
 1314 residents that will be employed in full-time equivalent and
 1315 part-time positions related to the project and wages paid to
 1316 such persons.
- 1317 (h) The total number of full-time equivalent employees
 1318 employed by the production company in this state, if applicable.
- 1319 (i) Proof of financing for the project.
- 1320 (j) The amount of repayment the production company agrees
 1321 to pay the state.
- 1322 (k) The amount of promotion of Florida that the production
 1323 company will provide for the state.
- 1324 (l) An attestation verifying that information provided on
 1325 the application is true and accurate.
- 1326 (m) Any additional information requested by the department

PCS for HB 451

ORIGINAL

2015

1327 or division.

1328 (7) The department must make a recommendation to the
1329 Governor to approve or deny an award within 7 days after
1330 completion of the review and evaluation. An award of funds may
1331 not constitute more than 30 percent of qualified expenditures in
1332 this state and may not fund wages paid to nonresidents. A
1333 production must start within 1 year after the date the project
1334 is approved by the Governor. The recommendation must include the
1335 performance conditions that the project must meet to obtain
1336 funds.

1337 (a)1. The Governor may approve an award of funds of less
1338 than \$2 million without consulting the Legislature. For such
1339 awards, the Governor shall provide a written description and
1340 evaluation of the approved project and a memorandum of
1341 understanding that reflects the requirements of subsection (8)
1342 to the chair and vice chair of the Legislative Budget
1343 Commission, the President of the Senate, and the Speaker of the
1344 House of Representatives, within 1 business day after approval.

1345 2. The Governor shall provide a written description and
1346 evaluation of each eligible applicant recommended for approval
1347 for an award of funds that equals or exceeds \$2 million to the
1348 chair and vice chair of the Legislative Budget Commission, the
1349 President of the Senate, and the Speaker of the House of
1350 Representatives at least 14 days before approving an award. The
1351 recommendation shall include a memorandum of understanding that
1352 reflects the requirements of subsection (8). If the chair or

PCS for HB 451

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1353 vice chair of the Legislative Budget Commission, the President
 1354 of the Senate, or the Speaker of the House of Representatives
 1355 timely advises the Executive Office of the Governor in writing
 1356 that the award of funds exceeds the delegated authority of the
 1357 Executive Office of the Governor or is contrary to legislative
 1358 policy or intent, the Executive Office of the Governor shall
 1359 void the release of funds and instruct the department to
 1360 immediately change action or proposed action.

1361 (8) Upon the approval of the Governor, the department and
 1362 the production company shall enter into an agreement that
 1363 specifies, at a minimum:

1364 (a) The total amount of funds awarded and the schedule of
 1365 payment.

1366 (b) The performance conditions for payment of moneys from
 1367 the fund, including full- and part-time employment in this
 1368 state; wages paid in this state; capital investment in this
 1369 state, including fixed capital investment; marketing and
 1370 promotion in this state; the date by which production must start
 1371 and the duration of production; the amount of qualified
 1372 expenditures in this state; and the amount and timing of
 1373 repayment.

1374 (c) The methodology for validating performance and the
 1375 date by which the production company must submit proof of
 1376 performance to the department.

1377 (d) That the department may review and verify any records
 1378 of the production company to ascertain whether that company is

1379 in compliance with this section and the agreement.

1380 (e) Sanctions for failure to meet performance conditions.

1381 (f) That payment of moneys from the fund is contingent
1382 upon sufficient appropriation of funds by the Legislature.

1383 (9) The agreement must be finalized and signed by an
1384 authorized officer of the production company within 90 days
1385 after the Governor's approval. A production company that is
1386 approved under this section may not simultaneously receive
1387 benefits under ss. 288.1254 and 288.1258 for the same
1388 production.

1389 (10) The department shall validate contractor performance
1390 and report such validation in the annual report required under
1391 s. 288.1254.

1392 (11) Contingent upon an annual appropriation by the
1393 Legislature, the department may not recommend awards in excess
1394 of the amount appropriated for a fiscal year. The department
1395 must maintain a schedule of funds to be paid from the
1396 appropriation for the fiscal year that begins on July 1. For the
1397 first 6 months of each fiscal year, the department shall set
1398 aside 50 percent of the amount appropriated for the fund by the
1399 Legislature. At the end of the 6-month period, these funds may
1400 be used to provide funding for any project that qualifies under
1401 this section.

1402 (12) All funds received from the required repayment must be
1403 deposited into the Production Action Account within the State
1404 Economic Enhancement and Development Trust Fund for use in this

1405 program.

1406 (13) Any production company that submits fraudulent
 1407 information under this section is liable for reimbursement of
 1408 the reasonable costs and fees associated with the review,
 1409 processing, investigation, and prosecution of the fraudulent
 1410 claim. A production company that receives a payment under this
 1411 section through a claim that is fraudulent is liable for
 1412 reimbursement of the payment amount plus a penalty in an amount
 1413 double the payment amount. The penalty is in addition to any
 1414 criminal penalty for which the production company is liable for
 1415 the same acts. The production company is also liable for costs
 1416 and fees incurred by the state in investigating and prosecuting
 1417 the fraudulent claim.

1418 (14) The department may not waive any provision or provide
 1419 an extension of time to meet any requirement of this section.

1420 (15) This section expires on July 1, 2025. An agreement in
 1421 existence on that date shall continue in effect in accordance
 1422 with its terms.

1423 (16) A production company receiving an award under this
 1424 section may not receive benefits under s.288.1254 for the same
 1425 production.

1426 Section 8. Section 288.1258, Florida Statutes, is amended
 1427 to read:

1428 288.1258 Entertainment industry qualified production
 1429 companies; application procedure; categories; duties of the
 1430 Department of Revenue; records and reports.—

1431 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1432 (a) Any production company engaged in this state in the

1433 production of motion pictures, made-for-TV motion pictures,

1434 television series, commercial advertising, music videos, or

1435 sound recordings may submit an application to the Department of

1436 Revenue to be approved by the Department of Economic Opportunity

1437 ~~Office of Film and Entertainment~~ as a qualified production

1438 company for the purpose of receiving a sales and use tax

1439 certificate of exemption from the Department of Revenue to

1440 exempt purchases on or after the date a complete application is

1441 filed with the Department of Revenue for exemptions under ss.

1442 212.031, 212.06, and 212.08.

1443 (b) As used in ~~For the purposes of~~ this section, the term

1444 "qualified production company" means any production company that

1445 has submitted a properly completed application to the Department

1446 of Revenue and that is subsequently qualified by the Department

1447 of Economic Opportunity ~~Office of Film and Entertainment~~.

1448 (2) APPLICATION PROCEDURE.—

1449 (a) The Department of Revenue shall ~~will~~ review all

1450 submitted applications for the required information. Within 10

1451 working days after the receipt of a properly completed

1452 application, the Department of Revenue shall ~~will~~ forward the

1453 completed application to the Department of Economic Opportunity

1454 ~~Office of Film and Entertainment~~ for approval.

1455 (b)1. The Department of Economic Opportunity ~~Office of~~

1456 ~~Film and Entertainment~~ shall establish a process by which an

1457 entertainment industry production company may be approved by the
 1458 department office ~~as a qualified production company and may~~
 1459 receive a certificate of exemption from the Department of
 1460 Revenue for the sales and use tax exemptions under ss. 212.031,
 1461 212.06, and 212.08.

1462 2. Upon determination by the department ~~Office of Film and~~
 1463 ~~Entertainment~~ that a production company meets the established
 1464 approval criteria and qualifies for exemption, the department
 1465 ~~Office of Film and Entertainment~~ shall return the approved
 1466 application or application renewal or extension to the
 1467 Department of Revenue, which shall issue a certificate of
 1468 exemption.

1469 3. The department ~~Office of Film and Entertainment~~ shall
 1470 deny an application or application for renewal or extension from
 1471 a production company if it determines that the production
 1472 company does not meet the established approval criteria.

1473 (c) The department ~~Office of Film and Entertainment~~ shall
 1474 develop, with the cooperation of the Department of Revenue, the
 1475 Division of Film and Entertainment within Enterprise Florida,
 1476 Inc., and local government entertainment industry promotion
 1477 agencies, a standardized application form for use in approving
 1478 qualified production companies.

1479 1. The application form shall include, but not be limited
 1480 to, production-related information on employment, proposed
 1481 budgets, planned purchases of items exempted from sales and use
 1482 taxes under ss. 212.031, 212.06, and 212.08, a signed

1483 affirmation from the applicant that any items purchased for
1484 which the applicant is seeking a tax exemption are intended for
1485 use exclusively as an integral part of entertainment industry
1486 preproduction, production, or postproduction activities engaged
1487 in primarily in this state, and a signed affirmation from the
1488 department ~~Office of Film and Entertainment~~ that the information
1489 on the application form has been verified and is correct. In
1490 lieu of information on projected employment, proposed budgets,
1491 or planned purchases of exempted items, a production company
1492 seeking a 1-year certificate of exemption may submit summary
1493 historical data on employment, production budgets, and purchases
1494 of exempted items related to production activities in this
1495 state. Any information gathered from production companies for
1496 the purposes of this section shall be considered confidential
1497 taxpayer information and shall be disclosed only as provided in
1498 s. 213.053.

1499 2. The application form may be distributed to applicants
1500 by the department, the Division ~~Office~~ of Film and Entertainment
1501 or local film commissions.

1502 (d) All applications, renewals, and extensions for
1503 designation as a qualified production company shall be processed
1504 by the department ~~Office of Film and Entertainment~~.

1505 (e) If ~~In the event that~~ the Department of Revenue
1506 determines that a production company no longer qualifies for a
1507 certificate of exemption, or has used a certificate of exemption
1508 for purposes other than those authorized by this section and

1509 chapter 212, the Department of Revenue shall revoke the
 1510 certificate of exemption of that production company, and any
 1511 sales or use taxes exempted on items purchased or leased by the
 1512 production company during the time such company did not qualify
 1513 for a certificate of exemption or improperly used a certificate
 1514 of exemption shall become immediately due to the Department of
 1515 Revenue, along with interest and penalty as provided by s.
 1516 212.12. In addition to the other penalties imposed by law, any
 1517 person who knowingly and willfully falsifies an application, or
 1518 uses a certificate of exemption for purposes other than those
 1519 authorized by this section and chapter 212, commits a felony of
 1520 the third degree, punishable as provided in ss. 775.082,
 1521 775.083, and 775.084.

1522 (3) CATEGORIES.—

1523 (a)1. A production company may be qualified for
 1524 designation as a qualified production company for a period of 1
 1525 year if the company has operated a business in Florida at a
 1526 permanent address for a period of 12 consecutive months. Such a
 1527 qualified production company shall receive a single 1-year
 1528 certificate of exemption from the Department of Revenue for the
 1529 sales and use tax exemptions under ss. 212.031, 212.06, and
 1530 212.08, which certificate shall expire 1 year after issuance or
 1531 upon the cessation of business operations in the state, at which
 1532 time the certificate shall be surrendered to the Department of
 1533 Revenue.

1534 2. ~~The Office of Film and Entertainment shall develop a~~

1535 ~~method by which a~~ A qualified production company may submit a
 1536 new application for annually renew a 1-year certificate of
 1537 exemption upon the expiration of that company's certificate of
 1538 exemption; however, upon approval of the department, such
 1539 qualified production company may annually renew the 1-year
 1540 certificate of exemption for a period of up to 5 years without
 1541 submitting ~~requiring the production company to resubmit a new~~
 1542 application during that 5-year period.

1543 3. Each year, or upon surrender of the certificate of
 1544 exemption to the Department of Revenue, the ~~Any~~ qualified
 1545 production company shall ~~may~~ submit to the department aggregate
 1546 data for production-related information on employment,
 1547 expenditures in this state, capital investment, and purchases of
 1548 items exempted from sales and use taxes under ss. 212.031,
 1549 212.06, and 212.08 for inclusion in the annual report required
 1550 under subsection (5) ~~a new application for a 1-year certificate~~
 1551 ~~of exemption upon the expiration of that company's certificate~~
 1552 ~~of exemption.~~

1553 (b)1. A production company may be qualified for
 1554 designation as a qualified production company for a period of 90
 1555 days. Such production company shall receive a single 90-day
 1556 certificate of exemption from the Department of Revenue for the
 1557 sales and use tax exemptions under ss. 212.031, 212.06, and
 1558 212.08, which certificate shall expire 90 days after issuance or
 1559 upon the cessation of business operations in the state at which
 1560 time, ~~with extensions contingent upon approval of the Office of~~

1561 ~~Film and Entertainment. T~~ the certificate shall be surrendered
 1562 to the Department of Revenue ~~upon its expiration.~~

1563 2. A qualified production company may submit a new
 1564 application for a 90-day certificate of exemption each quarter
 1565 upon the expiration of that company's certificate of exemption;
 1566 however, upon approval of the department, such qualified
 1567 production company may renew the 90-day certificate of exemption
 1568 for a period of up to 1 year without submitting a new
 1569 application during that 1-year period.

1570 3.2. Each 90 days, or upon surrender of the certificate of
 1571 exemption to the Department of Revenue, the qualified ~~Any~~
 1572 production company shall ~~may~~ submit to the department aggregate
 1573 data for production-related information on employment,
 1574 expenditures in this state, capital investment, and purchases of
 1575 items exempted from sales and use taxes under ss. 212.031,
 1576 212.06, and 212.08 for inclusion in the annual report required
 1577 under subsection (5) ~~a new application for a 90-day certificate~~
 1578 ~~of exemption upon the expiration of that company's certificate~~
 1579 ~~of exemption.~~

1580 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1581 (a) The Department of Revenue shall review the initial
 1582 application and notify the applicant of any omissions and
 1583 request additional information if needed. An application shall
 1584 be complete upon receipt of all requested information. The
 1585 Department of Revenue shall forward all complete applications to
 1586 the department ~~Office of Film and Entertainment~~ within 10

1587 working days.

1588 (b) The Department of Revenue shall issue a numbered
 1589 certificate of exemption to a qualified production company
 1590 within 5 working days of the receipt of an approved application,
 1591 application renewal, or application extension from the
 1592 department ~~Office of Film and Entertainment~~.

1593 (c) The Department of Revenue may adopt ~~promulgate~~ such
 1594 rules and shall prescribe and publish such forms as may be
 1595 necessary to effectuate the purposes of this section or any of
 1596 the sales tax exemptions which are reasonably related to the
 1597 provisions of this section.

1598 (d) The Department of Revenue is authorized to establish
 1599 audit procedures in accordance with the provisions of ss.
 1600 212.12, 212.13, and 213.34 which relate to the sales tax
 1601 exemption provisions of this section.

1602 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
 1603 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
 1604 ~~Office of Film and Entertainment~~ shall keep annual records from
 1605 the information provided on taxpayer applications for tax
 1606 exemption certificates ~~beginning January 1, 2001~~. These records
 1607 also must reflect a ratio of the annual amount of sales and use
 1608 tax exemptions under this section, plus the tax credits
 1609 ~~incentives~~ awarded pursuant to s. 288.1254 to the estimated
 1610 amount of funds expended by certified productions. In addition,
 1611 the department ~~office~~ shall maintain data showing annual growth
 1612 in Florida-based entertainment industry companies and

1613 entertainment industry employment and wages. The employment
 1614 information must include ~~an estimate of~~ the full-time equivalent
 1615 positions created by each production that received tax credits
 1616 pursuant to s. 288.1254. The department ~~Office of Film and~~
 1617 ~~Entertainment~~ shall include this information in the annual
 1618 report for the entertainment industry ~~financial incentive~~
 1619 program required under s. 288.1254~~(10)~~.

1620 Section 9. Subsection (1) of section 288.92, Florida
 1621 Statutes, is amended to read:

1622 288.92 Divisions of Enterprise Florida, Inc.—

1623 (1) Enterprise Florida, Inc., may create and dissolve
 1624 divisions as necessary to carry out its mission. Each division
 1625 shall have distinct responsibilities and complementary missions.
 1626 At a minimum, Enterprise Florida, Inc., shall have divisions
 1627 related to the following areas:

- 1628 (a) International Trade and Business Development;
- 1629 (b) Business Retention and Recruitment;
- 1630 (c) Tourism Marketing;
- 1631 (d) Minority Business Development; ~~and~~
- 1632 (e) Sports Industry Development~~;~~ and
- 1633 (f) Film and Entertainment.

1634 Section 10. Subsection (5) of section 477.0135, Florida
 1635 Statutes, is amended to read:

1636 477.0135 Exemptions.—

1637 (5) A license is not required of any individual providing
 1638 makeup, special effects, or cosmetology services to an actor,

1639 stunt person, musician, extra, or other talent during a
 1640 production recognized by the Department of Economic Opportunity
 1641 ~~Office of Film and Entertainment~~ as a qualified production as
 1642 defined in s. 288.1254(1). Such services are not required to be
 1643 performed in a licensed salon. Individuals exempt under this
 1644 subsection may not provide such services to the general public.

1645 Section 11. For the purpose of incorporating the amendment
 1646 made by this act to section 288.1254, Florida Statutes, in a
 1647 reference thereto, paragraph (q) of subsection (5) of section
 1648 212.08, Florida Statutes, is reenacted to read:

1649 212.08 Sales, rental, use, consumption, distribution, and
 1650 storage tax; specified exemptions.—The sale at retail, the
 1651 rental, the use, the consumption, the distribution, and the
 1652 storage to be used or consumed in this state of the following
 1653 are hereby specifically exempt from the tax imposed by this
 1654 chapter.

1655 (5) EXEMPTIONS; ACCOUNT OF USE.—

1656 (q) Entertainment industry tax credit; authorization;
 1657 eligibility for credits.—The credits against the state sales tax
 1658 authorized pursuant to s. 288.1254 shall be deducted from any
 1659 sales and use tax remitted by the dealer to the department by
 1660 electronic funds transfer and may only be deducted on a sales
 1661 and use tax return initiated through electronic data
 1662 interchange. The dealer shall separately state the credit on the
 1663 electronic return. The net amount of tax due and payable must be
 1664 remitted by electronic funds transfer. If the credit for the

1665 qualified expenditures is larger than the amount owed on the
 1666 sales and use tax return that is eligible for the credit, the
 1667 unused amount of the credit may be carried forward to a
 1668 succeeding reporting period as provided in s. 288.1254(4)(e). A
 1669 dealer may only obtain a credit using the method described in
 1670 this subparagraph. A dealer is not authorized to obtain a credit
 1671 by applying for a refund.

1672 Section 12. For the purpose of incorporating the amendment
 1673 made by this act to section 288.1254, Florida Statutes, in a
 1674 reference thereto, Subsection (3) of section 220.1899, Florida
 1675 Statutes, is reenacted to read:

1676 220.1899 Entertainment industry tax credit.—

1677 (3) To the extent that the amount of a tax credit exceeds
 1678 the amount due on a return, the balance of the credit may be
 1679 carried forward to a succeeding taxable year pursuant to s.
 1680 288.1254(4)(e).

1681 Section 13. This act shall take effect July 1, 2015.